

May 17, 2024

MEMORANDUM

To: Parks, Public Utilities & Technology Committee
From: Brian Goodnight, Analyst
Subject: CB 120790: King County Solid Waste Residuals Interlocal Agreement

On May 22, 2024, the Parks, Public Utilities & Technology Committee will discuss Council Bill (CB) 120790, which would authorize Seattle Public Utilities (SPU) to execute an Interlocal Agreement (ILA) with King County regarding the disposal of residual solid waste.

This memorandum: a) provides background information, b) describes prior City Council action and King County Council action, c) summarizes key terms and financial impacts of the ILA, and d) describes next steps.

Background

The City and King County each operate separate solid waste systems. The City has jurisdiction over the solid waste produced within its borders, including recyclable materials, compostable materials, and the waste that is landfilled.¹ Similarly, the County has jurisdiction over the solid waste produced within unincorporated King County and the 37 municipalities with which it has ILAs for solid waste disposal.²

To process and separate recyclable materials, there are two Material Recovery Facilities (MRFs) that operate within the city. These facilities handle recyclable materials collected from both the City's and King County's solid waste jurisdictions. As the MRFs process the collected materials, there is a residual amount of remaining material that cannot be recycled and needs to be disposed. The operators of the MRFs pay for disposal of this "residual" waste.

The City and the County have had differing opinions regarding where the residual waste from collections in the County's solid waste jurisdiction should be directed. In 2021, the City filed a declaratory judgment action seeking a court's determination, but discussions between the City and the County continued, and the ILA represents the compromise that was reached.

Prior Actions

In April 2023, the City Council's Transportation and Seattle Public Utilities Committee discussed and recommended passage of an ILA with King County that is substantively similar to the ILA that would be approved by CB 120790. On April 11, 2023, the Council approved the ILA via [Ordinance 126796](#).

¹ [Seattle Municipal Code \(SMC\) 21.36.040](#); [SMC 21.36.112](#)

² [King County Code 10.08.020](#)

Subsequently, on November 28, 2023, the King County Council approved the ILA via [Ordinance 19694](#), but with revisions. The revisions were developed collaboratively between the County's Solid Waste Division and SPU, along with the law departments of each jurisdiction. In addition to making grammatical and technical changes, the revisions provide additional detail regarding how the County's residual waste will be calculated and specify that the City will dismiss its lawsuit after the ILA takes effect.

To take effect, however, the City and the County each need to approve the ILA with the same language. Due to the revisions in the version approved by the County Council, the City Council's previous approval is no longer sufficient. If the City Council still agrees to the terms of the ILA, the revised version of the ILA needs to be approved.

Key Terms & Financial Impacts of the ILA

The purpose of the agreement is to allow for the equitable disposal of residual waste that results from the processing of recyclable materials that have been collected from King County's solid waste jurisdiction. The ILA will become effective 30-days after it is approved and signed by both the City and the County, and it will remain in effect until it is terminated by one of the parties, which can occur either as the result of a default or through one party providing 180 days' notice.

Per the agreement, the City will provide direction to the MRF operators regarding where disposal of the residual waste should occur. For residuals collected from King County's jurisdiction, the City will pay a "program support payment" to the County of approximately \$30 per ton that the City directs to its disposal facilities. The payment amount will increase annually by the same percentage as the increase in the City's railyard rate for disposals.

If the ILA is approved, SPU estimates that the additional residual tonnage flowing through the City's system will result in net revenue to the Solid Waste Fund of approximately \$240,000 in 2024. This assumes increased disposal revenues of about \$1.87 million, and increased expenditures of \$1.63 million (including disposal costs, taxes, and the King County program support payment). Section 2 of CB 120790 would amend the 2024 Adopted Budget to increase appropriation authority in the Solid Waste Fund to account for the increased expenditures.

Next Steps

If the Committee recommends passage of CB 120790 to the Council on May 22, then the Council could take final action as soon as May 28.

cc: Ben Noble, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Supervisory Analyst